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Attorneys for Del and Ernestine Bunch

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Securities, LLC
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA First Trust Deed Fund, LLC

Case No. BK-S-06-10725-LBR
 Case No. BK-S-06-10726-LBR
 Case No. BK-S-06-10727-LBR
 Case No. BK-S-06-10728-LBR
 Case No. BK-S-06-10729-LBR

Chapter 11

Jointly Administered under
Case No. BK-S-06-10725-LBR

SUPPLEMENTAL DECLARATION OF
DEL BUNCH

Date of Hearing: OST Pending
 Time of Hearing: OST Pending
 Place: Courtroom No. 1, Third Floor
 Foley Federal Building
 300 Las Vegas Blvd., S.
 Las Vegas, NV 89101

Judge: Hon. Linda B. Riegler

I, Del Bunch, under oath and under penalty of perjury say:

1. I have personal knowledge of the facts recited herein, and I am competent to testify regarding them if called as a witness in this matter.

2. I am a creditor in the above-referenced bankruptcy case.

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3. Attached are documents showing the history of the involvement of me and my wife, Ernestine, with loans made to USA Commercial Mortgage Company comprising our claim in the bankruptcy case.

4. We made our first loan to USA Commercial Mortgage Company after a dinner meeting with Tom Hantges and Vice President of investments, Phill Dickinson, in early June of 2000.

5. Our business background was the same as theirs, but at ages 73 and 71 we wanted to be less active in lending money to builders/developers. We negotiated a 20% interest rate on loans to be made, which was less than we were earning by working and loaning money directly to residential builders ourselves.

6. A total of 27 loans were made by us to USA Commercial Mortgage Company with a pre-agreed upon maximum loan amount of \$10,000,000.00, as evidenced by our unsecured note, which is attached to the proof of claim we filed in the USA Commercial Mortgage Company bankruptcy case. These loans were made starting in June of 2000 with the last loan made in February 2004.

7. The first time we ever met Joe Milanowski was about May of 2004. We met with Joe Milanowski and Phill Dickinson to discuss the due date of our Loan and their request to extend the due date one year to February 5, 2006. See **Exhibit A** and **Exhibit B**.

8. Additional Exhibits attached are:

Exhibit C – Loan audit confirmation request dated March 27, 2001;

Exhibit D – Loan audit confirmation request dated June 20, 2003;

Exhibit E – List of our loan checks issued to USA Commercial Mortgage;

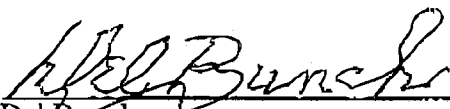
Exhibit F – Copies of 27 loan checks issued to USA Commercial Mortgage from June 26, 2000, through February 5, 2004;

Exhibit G – USA Commercial Mortgage's year end balance sheets confirming our loan balances December 31, 2000 through December 31, 2005;

Exhibit H – Copies of 1099 interest income received from USA Commercial Mortgage for income tax reporting from 2000 through 2005;

1 I declare under penalty of perjury under the laws of the United States that the foregoing is
2 true and correct.

3 DATED this 18th day of December, 2006.

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6 Del Bunch
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